

Asarco Pays \$1.79 Billion to Fix Sites

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After a four-year legal battle, a mining company has paid the government a record \$1.79 billion to settle claims for hazardous waste pollution across 19 states, federal agencies announced Thursday.

Officials said the payment on behalf of the company, the American Smelting and Refining Company, or Asarco, was the nation's largest environmental bankruptcy settlement.

The money, received Wednesday night from a subsidiary of the mining conglomerate Grupo Mexico, Asarco's parent, will be used to repair extensive damage from the mining operations.

Asarco, a 110-year-old copper company based in Tucson, was accused of gross environmental misconduct at numerous sites, including illegally burning hazardous waste instead of disposing of it properly.

As a result of the company's actions, lead and other toxic metals traveled downstream, polluting water and soil in many places, the government found.

The deal required the cooperation of the Justice, Interior and Agriculture Departments as well as the Environmental Protection Agency. At a news conference, officials were jubilant about the outcome.

"This was a result no one expected when Asarco went into bankruptcy," said Associate Attorney General Tom Perrelli. "This gives us full payment plus interest for allowed claims. Taxpayers got more than a dollar back for every dollar they asked for."

Jack Kinzie, a lawyer at the firm Baker Botts who was the lead lawyer for Asarco in the bankruptcy case, called the settlement "fair." But in a statement in June, the firm said it had been able to limit the allowed claims against the copper giant to substantially less than the \$3.6 billion originally filed.

Still, federal officials said the \$1.79 billion was more than they had expected to get when Asarco filed for Chapter 11 bankruptcy protection in 2005.

In August, the United States Bankruptcy Court for the Southern District of Texas opened an auction for competing plans that would allow the company to be bought out of bankruptcy.

Because the price of copper was high, higher bids with larger cash components surfaced as time passed, said John C. Cruden, a deputy assistant attorney general with the Environment and Natural Resources Division of the Justice Department.

"This demonstrates that just because a company goes into bankruptcy doesn't mean it will avoid its responsibilities," Mr. Cruden added.

The settlement money is already being distributed to pay off cleanup and restoration at more than 80 contaminated sites. The largest single payment, \$436 million, went to clean up a toxic mine site in the Coeur d'Alene Basin in Idaho.

A trust for overseeing the cleanup of a smelter site in Omaha that spewed lead over 27 square miles of surrounding water and soil received \$219 million.

In all, said Mathew V. Stanislaus, assistant administrator for solid waste and emergency response at the Environmental Protection Agency, the money will cover the cleanup of 10.5 million cubic feet of soil and 5 million cubic yards of water — “enough to fill 1,500 Olympic-size swimming pools.”